

9-1-1 Questions for Applicants Seeking Local Exchange Service Authority

Note: This section does not currently apply to Telseon since it does not presently seek to offer voice services to its customers. In the event that Telseon begins to provide voice services in the future, it will comply with the 9-1-1 obligations as required by the Commission.

1. Will your company ensure that 911 traffic is handled in accordance with the 83 Illinois Administrative Code Part 725 and the Emergency Telephone System Act?
2. Will your company contact and establish a working relationship with the 911 systems when you begin to provide local telephone service?
3. Will your company coordinate with the incumbent LEC(s) and local 911 systems to provide transparent services for your local exchange customers?
4. Who will be responsible for building and maintaining the 911 database for your customers?
5. How often will your company update the database with customer information?
6. Will your company's billing system have the ability to distinguish between facilities-based and resale for the collection of the 911 surcharge?
7. Does your company have procedures for the transitioning of the 911 surcharge collection and disbursement to the local 911 system?
8. Will your company's proposal require any network changes to any of the 911 systems?
9. Will your company be able to meet the requirements specified under Part 725.500(o) and 725.620(b) for the installation of call boxes?
10. Does your company plan to file for a waiver of Part 725.500(o) and 725.620(b) in the future?

Financial Questions for Applicants Seeking Local Exchange Authority

1. (Answer if requesting waiver of Part 710) What circumstances warrant a departure from the prescribed Uniform System of Accounts ("USOA")?

Part 710 requires compliance with the Uniform System of Accounts ("USOA"). While this provision is appropriately applied to incumbent LECs that have market power, it imposes unnecessary and burdensome requirements on new entrants that are inconsistent with a competitive environment. Telseon's size and lack of market power are special circumstances that warrant a waiver of the USOA requirement. Telseon keeps its books in accordance with Generally Accepted Accounting Principles ("GAAP"), which will result in a substantially equivalent portrayal of its operating results and financial condition as the USOA and will maintain uniformity in the substantive results as among telecommunications companies.

2. Will records be maintained in accordance with Generally Accepted Accounting Principles ("GAAP")?

Yes. Telseon will keep its books in accordance with GAAP.

3. Will applicant's accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?

Yes it will.

4. Will applicants accounting procedure maintain or improve uniformity in substantive results as among similar telecommunications companies?

As it is our understanding that the Commission has waived Part 710 for other competitive carriers which keep their books in accordance with GAAP, Telseon's application of GAAP will result in a substantially equivalent portrayal of its operating results and financial condition as the USOA and will maintain uniformity in the substantive results as among telecommunications companies.

5. Will applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes?

Yes.

6. Does the accounting system currently in use by applicant provide sufficiently detailed data for the preparation of Illinois gross Receipts Tax returns? What specific accounts or sub-accounts provide this data?

Yes. Telseon's Chart of Accounts demonstrates that its accounting system is sufficiently detailed for the preparation of Illinois gross receipts tax returns.

A Chart of Accounts is attached under seal as Exhibit 4 of this Application. Please note that the Chart of Accounts has been enclosed in a sealed envelope marked "Confidential." A Chart of Accounts is not generally available to the public and Telseon considers and treats its Chart of Accounts as confidential and proprietary. Concurrent with this Application, Telseon is filing a Motion for a Protective Order requesting that the Chart of Accounts be accorded confidential treatment and not be disclosed to the public.

5. If a waiver of Part 710 is granted, will applicant provide annual audited statements for all periods subsequent to granting the waiver?

Yes it will.

6. Does applicant agree that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to the Company?

Yes it does.

7. Please attach a copy of applicant's chart of accounts.

Please see question 7, above.